

CONTRACT VA-030904-MCS FACT SHEET

<u>Purpose:</u> The Microsoft Master Services (Non-Standard) Agreement #00-11630 is established for State and Local Government to provide both consulting and support (Premier) services for the purpose of having direct access to Microsoft product groups, support services, software developers and source code for current and future products.

<u>Authorized Users ("affiliates"):</u> This Contract is available for use by state agencies, state institutions of higher education, localities, and other public bodies as defined in § 2.2-4301 of the *Code of Virginia*.

<u>Contract Term:</u> The initial term of the Microsoft Master Services (MSA) Agreement is for three years, <u>March 15, 2004 through March 14, 2007</u>. with three one-year renewal options.

Microsoft FEIN #: 91-1144442

Contact Information:

Support (Premier) Services

Erica Marley (Primary) Address: Microsoft Corporation Phone #: (425) 704-5768 One Microsoft Way

Fax #: (425) 936-7329 SAMM D/4031

E-mail: <u>Ericama@microsoft.com</u> Redmond, WA 98052

Margaret Gardiner (Secondary) Address: Microsoft Corporation

Phone #: (425) 704-4864 One Microsoft Way

Fax # (425) 936-7329 SAMM D/4447

E-mail: margardi@microsoft.com Redmond, WA 98052

Consulting Services

Kent Smith Address: Microsoft Corporation Phone #: (703) 624-7030 5335 Wisconsin Ave, N.W.

Fax#: (425) 936-7329 (Attn: Kentsmi) Suite 600

E-mail: Kentsmi@microsoft.com Washington D.C. 20015

Overview: The MSA is a unique source for the following:

- Direct and quick access to internal Microsoft software developers for current and future products
- Access to source code for current and future products
- Access to internal Microsoft Product update sessions comprised of Microsoft product development teams to review current product features and functionality and help plan for new product features and functionality
- Informal yet strategic access to Microsoft product groups, developers and senior architects
- Microsoft support (Premier) is a service that is available only through direct purchase from Microsoft Corporation
- Microsoft Services mission is to provide end-to-end services for Microsoft products only.

How to Obtain Services Under this Contract:

Consulting Services – Contact Kent Smith to discuss consulting services needed and to obtain a work order (see **Exhibit A** for sample work order) by email or fax. Kent will issue a work order to you The work order will provide the scope of work, staff level)s) a start and estimated ending date, pricing as specified in **Exhibit C**, and travel expenses (per the *Commonwealth's Travel Regulations) if needed. User should review the work order and if acceptable, sign as required and submit along with an order (purchase order, eVA order) to the Microsoft contact.

Support (Premier) Services – Contact Erica Marley (primary) or Margaret Gardiner (secondary) to discuss support service requirements and to obtain a service description for product support services. Eric or Margaret will issue a service description to you. The service description will include the number of support incidents, the total estimated travel expenses (per the *Commonwealth's Travel Regulations) if needed, a start and end date, and pricing as specified in **Exhibit D**. User should review the service the description and if acceptable sign as required, complete pages 1 and 8 of **Exhibit B** and submit along with an order (purchase order, eVA order, etc.) to the Microsoft contact. Payment must be made for support in advance of services received.

*Any associated travel expenses must be in accordance with the Commonwealth's Travel Regulations as posted at http://www.doa.state.va.us/procedures/adminservices/capp/capp1.htm. All invoices for travel shall not exceed the Commonwealth's reimbursement rates for mileage, meals, lodging and incidental travel expenses.

Pricing:

<u>Support (Premier) Services:</u> Pricing is found in <u>Exhibit D</u>. Pricing for support services will remain fixed for the initial 12 months of the Contract.

<u>Price Adjustments for Premier Support:</u> Price increases for Premier Support services for the remainder of the term of the MSA will not exceed 7% per year or current market price, whichever is lower. A discount of 2% will apply to the product support services when the Commonwealth's Premier support orders exceed a total of 1600 TAM (technical account manager/Microsoft resource) hours. Microsoft will not change hourly rates identified in a statement of services during the term of the statement of services, however they may adjust hourly rates prior to entering any new statement of services if price increases have been instituted in the MSA after the first 12 months of the Contract.

<u>Consulting Services:</u> Pricing is found in <u>Exhibit C</u> and will remain fixed for the initial 12 months of the Contract.

<u>Price Adjustments for Consulting Services:</u> Annual price increases for consulting services for the remainder of the term of the MSA will not exceed 3% per year and will not exceed the current published price list.

Payment:

<u>Consulting Services</u> - Payment for consulting services should be agreed upon in the work order and is considered due within thirty (30) days after receipt of an invoice and as mutually agreed upon in the work order.

<u>Support (Premier) Services</u> - Payment for support (Premier) services is due once acceptance of a services description has been reached and within 30 days after receipt of an invoice (prior to receiving support services).

Contract Links:

- Microsoft Master Services Agreement (MSA)
- Microsoft Services Contacts
- Exhibit A Microsoft Consulting Services Work Order (sample)
- Exhibit B Premier Support Services Description
- Exhibit C Consulting Services Pricing
- Exhibit D Premier Support Services Pricing

VITA Contact Info:

Ann Sells, Contracts Engineer Voice (804) 371-5988 Fax: (804) 371-5969

E-mail: ann.sells@vita.virginia.gov

Microsoft Master Services Agreement - State and Local (Non-Standard)

Microsoft Master Services Agreement Number Microsoft affiliate to complete

#00-11630

This Microsoft Master Services Agreement is entered into between the following entities as of the effective date identified below (the "master agreement"). This master agreement is comprised of this cover page and the attached terms and conditions, the terms of which are incorporated herein by this reference. Each party will notify the other in writing if any of the information in the following table changes.

Name of Customer Virginia Information Technologies Agency (VITA)	Contact Name master agreer Ann Sells, CP	ment pursuant to sec	es notices under this tion 11 (Notices).
Street Address 110 S. 7 th Street	Contact Email Ann.sells@vit	Address	
City Richmond	State/Province VA	Phone (804) 371-5988	
Country USA	Postal Code 23219	Fax (804) 371-5969	
Microsoft			
Notices to Microsoft should be sent to (Microsoft affiliate to composition T. Hartley, Esq. Microsoft Corporation 5335 Wisconsin Ave., NW, Suite 600 Washington, DC 20015 (425) 936-7329 fax	Micro Law a One Redn	es should be sent to: esoft and Corporate Affairs Microsoft Way nond, WA 98052 ces Attorney 936-7329 fax	USA

This master agreement contains terms of the relationship between you, your affiliates and us. If you contract for services from us under this master agreement, the specific terms of those transactions will be contained in this master agreement and any work orders, services descriptions, or other statement of services incorporating this master agreement by reference (each a "statement of services").

By signing below, each party acknowledges that it has read and understood the terms of this master agreement and agrees to be bound by these terms.

Customer	Microsoft Affiliate
Name of Customer (please print) Virginia Information Technologies Agency	Name Microsoft Corporation
Signature Hem of of	Signature AND WALLS
Name of person signing (please print) Lemvel C. Stewart Sr.	Name of person signing (please print) David T. Gallagher
Title of person signing (please print)	Title of person signing (please print) Contracts Manager
Effective date	Signature date 3/9/09

SLG Microsoft Master Services Agreement v6.0

Cover Page

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v6.0 (U.S.) 5.1.02 In this master agreement, a "party" or "parties" means you and/or us as the context requires. "You or "Commonwealth" means the entity that has entered into this master agreement with us, which is the Commonwealth of Virginia, through its Virginia Information Technologies Agency ("VITA") and may also refer, as the context requires, to your affiliates who enter into a statement of services under this master agreement. "Microsoft," "We," "us," or "our" means, Microsoft Corporation and its affiliates. Each individual Commonwealth affiliate is responsible for its compliance with the terms and conditions of this agreement. VITA will be responsible for compliance with the terms and conditions in this agreement applicable to VITA, but not for the compliance of any affiliates with the terms and conditions applicable to affiliates.

- Definitions. For the purposes of this master agreement and any statement of services, the following definitions apply the terms below:
 - a. "affiliate" means (i) with regard to you, any government agency, department, instrumentality, division, unit or other office of your state or local government that is supervised by or is part of you, or which supervises you or of which you are a part, or which is under common supervision with you; together with, as mandated by law, any county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality located within your state's jurisdiction and geographic boundaries; provided that a state and its affiliates shall not, for purposes of this definition, be considered to be affiliates of the federal government and its affiliates; and (ii) with regard to us, any legal entity that we own, which owns us, or which is under common ownership with us.
 - **b.** "consulting services" means services to provide knowledge transfer of the capabilities of Microsoft technology, methodologies, tools, training, and experience, and to assist with architecture, planning, deploying, and implementing Microsoft technology. These services will be further described for each engagement utilizing a work order form (Exhibit A).
 - c. "product support services" means services to assist you with efficient systems management, usability and operational problems and account management. These services are further described in the attached services description form (Exhibit B).
 - d. "statement of services" means at the time when you determine services are needed, you and Microsoft shall prepare and execute a statement of services in the form of either a work order or a services description utilizing the forms attached hereto as Exhibits A and B.
 - e. "service deliverable(s)" means any computer code or materials, except fixes or products, we leave to you at the conclusion of our performance of the services.
 - f. "fixes" means any product related bug fixes, workarounds, patches, beta fixes or beta builds.
 - g. "product(s)" Only services will be provided under this master agreement except for the "products" described as follows: Any fixes computer code or materials comprising commercial, free, pre-release or beta products we make available to you for license which are published by us, our affiliates, or a third party. Any products provided pursuant to a statement of services will be licensed according to the terms of the license agreement packaged with or otherwise applicable to such product. You are responsible for paying any licensing fees associated with products.
- 2. Services and use. We agree to provide product support and consulting services (referred to collectively and individually herein, as the context requires, as "services") under the terms and conditions of this master agreement and any statement of services. The precise scope of the services will be specified in the statements of services (in work orders for consulting services or service descriptions for support services). You or any of your affiliates can enter into statements of services under this master agreement with our local affiliate. Our ability to deliver the services depends upon your and our full and timely cooperation, as well as the accuracy and completeness of any information you or we provide. This master agreement does not obligate either party or its affiliates to enter into any statements of services.
- Intellectual Property. Except as otherwise provided herein, each statement of services will specify your rights in service deliverables and fixes delivered under it. Your right to use fixes is

governed by the license agreement for the affected product or, if the fix is not provided for a specific product, then the terms defined herein or in a statement of services. All fixes provided under a statement of services are licensed to you under the terms of the affected product license agreement.

- a. Pre-existing work. All rights in any computer code or materials (other than products) developed or otherwise obtained by or for us or our affiliates, or you or your affiliates independently of this work order ("pre-existing work") shall remain the sole property of the party providing the pre-existing work. During the performance of the services under a statement of services, each party grants to the other party (and our contractors as necessary) a temporary, non-exclusive license to use, reproduce and modify any of its pre-existing work provided to the other party solely for the performance of such services. Upon payment in full, we grant you a non-exclusive, perpetual, fully paid-up license to use, reproduce and modify (if applicable) our pre-existing work in the form delivered to you as part of the service deliverables for your internal business operations. Your licenses to our pre-existing work is conditioned upon your compliance with the terms of this master agreement and a statement of services and the perpetual license applies solely to our pre-existing work that we leave to you at the conclusion of our performance of the services. "Service deliverables" means our pre-existing work licensed to you perpetually and the developments.
- b. Developments provided under a work order for consulting services. Upon payment in full, we assign you joint ownership in all rights in any computer code or materials (other than products or pre-existing work) developed by us (or in collaboration with you) and provided to you in the course of performance of a work order for consulting services ("developments"). "Joint ownership" means you and we have the right to independently exercise any and all rights of ownership now known or hereafter created or recognized, including without limitation the rights to use, reproduce, modify and distribute the developments for any purpose whatsoever, without the need for further authorization to exercise any such rights or any obligation of accounting or payment of royalties, except you will only exercise your rights for your internal business operations and you will not resell or distribute the developments to any third party. These use restrictions shall survive termination or expiration of the work order or the master agreement. Each party shall be the sole owner of any modifications that it makes based upon the developments.
- c. Affiliates rights. You may sublicense the rights to the service deliverables granted hereunder to your affiliates, but your affiliates may not further sublicense these rights.
- d. Sublicensing to affiliates. Any sublicensing of the service deliverables to your affiliates as permitted by this Section 3 must be pursuant to a license agreement that includes (i) a license grant with a statement of ownership, reservations of rights and restrictions consistent with the terms of this work order; (ii) a prohibition against reverse engineering, decompiling and disassembly of code, except to the extent expressly permitted by applicable law despite such limitation; and (iii) a disclaimer of all warranties and consequential damages and a reasonable limitation of liability, each of which must be on behalf of and for the benefit of your suppliers. We shall not be responsible for any costs or damages that result from your sublicensing of any services deliverables or the use of service deliverables by anyone who obtains them as a result of your sublicensing.
- e. Materials developed under a services description for support services. All rights in any materials developed by us (other than software code) and provided to you in connection with the services ("Materials") shall be owned by us except to the extent such materials constitute your pre-existing work. Upon payment in full, we grant you a non-exclusive, perpetual, fully paid-up license to use, reproduce and modify the Materials solely for your internal business operations and without any obligation of accounting or payment of royalties. You may sublicense the rights granted herein to your affiliates. All rights not expressly granted, are reserved.
- f. Sample code provided under a services description for support services. We grant you a nonexclusive, perpetual, royalty-free right to use and modify any software code provided by us for the purposes of illustration ("Sample Code") and to reproduce and distribute the object code form of the Sample Code, provided that you agree: (i) to not use our name, logo, or trademarks to market your software product in which the Sample Code is embedded; (ii) to include a valid copyright notice on your software product in

which the Sample Code is embedded; and (iii) we and our suppliers shall not be held responsible for any claims or lawsuits that arise or result from the use or distribution of the Sample Code.

g. Reservation of rights. Additionally, notwithstanding anything to the contrary in a work order or services description, you may not give us access to or otherwise incorporate, contribute or combine our pre-existing work, developments, Hotfixes, Materials, or Sample Code with any software or other materials that requires as a condition of use, modification, and/or distribution of our pre-existing work, developments, Hotfixes, Materials, or Sample Code (either in whole or in part) be generally (i) disclosed or distributed in source code or object code form; (ii) licensed for the purpose of making derivative works; or (iii) redistributable. This restriction also applies to anyone who obtains service deliverables, Hotfixes, Materials, or Sample Code from you.

4. Contract Procedures.

- a. Consulting services. You or the affiliate will contact us to discuss the current consulting services needed and to obtain a work order by email or fax. We will issue a work order to you or the affiliate utilizing the form attached as Exhibit A. The work order will provide the scope of work, staff level(s), a start and estimated end date, pricing as specified in Exhibit C which includes (not in addition to) the VITA 2% Industrial Funding Adjustment and eVA transaction fee, service deliverables and the total estimated travel expenses (if needed). If acceptable, you or the affiliate will provide an approved and executed Work Order to us for commencement of services.
- b. Support services. You or the affiliate will contact us to discuss the current support services needed and to obtain a service description for product support services. We will issue a service description to you or the affiliate utilizing the form in Exhibit B. The service description will include the number of support incidents, the total estimated travel expenses (if needed), a start and end date, and pricing as specified in Exhibit D, which includes the VITA 2% Industrial Funding Adjustment and eVA transaction fee,. After you or the affiliate presents an approved support service description and acknowledgement, which will include MS Public Sector Price List rates and signature, and makes payment for support as defined in Section 7.a.ii., we will commence work.
- c. Expenses. Any associated travel expenses shall be in accordance with the Commonwealth's Travel Regulations as posted at http://www.doa.state.va.us/procedures/adminservices/capp/capp1.htm. All invoices for travel shall not exceed the Commonwealth's reimbursement rates for mileage, meals, lodging and incidental travel expenses.

Restrictions on use. You may not:

- a. Rent, lease, lend or host service deliverables or fixes, except as otherwise provided in a statement of services:
- b. Reverse engineer, de-compile or disassemble fixes or service deliverables, except to the extent expressly permitted by applicable law despite this limitation; or
- c. Transfer licenses to, or sublicense fixes or service deliverables to any government entity or quasi governmental entity, except for your affiliates as specifically authorized by a statement of services.

You agree to comply with all applicable international and national laws that apply to the products, fixes and service deliverables, including the U.S. Export Administration Regulations, as well as end-user, end-use and destination restrictions issued by U.S. and other governments. For additional information on exporting Microsoft products, see http://microsoft.com/exporting.

Supportability. During the term of a statement of services where we agree to provide product support, we can add support for new products or discontinue support for existing products. If we discontinue support for a product, we will give you six months prior notice. If we sell the intellectual property rights of a product to another company, we will give you notice of the sale and at the time of such notice will either (i) arrange for the other company to continue the support; or (ii) continue support ourselves for 90 days to give you time to make alternative arrangements.

There may be cases where your implementation of our products cannot be effectively supported. As part of providing the support services, we will notify you if we reach that conclusion. If you do not modify the implementation to make it effectively supportable within 30 days after the notice, we will not be obligated to provide additional support services for that implementation, however we will continue to provide support for your other supportable implementations covered by the statement of services.

For statements of services for product support, we will provide the support services for those products covered in the statement of services as mutually agreed upon, provided they are validly licensed by you.

7. Payment and fees.

a. Payment to Microsoft:

- i. Invoices for services ordered, delivered and accepted shall be submitted by us directly to the payment address shown on the statement of services. All invoices shall show the state contract number and/or purchase order number and the Microsoft federal employer identification number.
- ii. For support services. Premier Support is a prepaid service and all fees are due upon acceptance of a services description and payable within 30 days. Prior to initiating service, we must be in receipt of a purchase order, check, or other acceptable form of payment.
- iii. For consulting services. Payment in less than 30 days will be regarded as requiring payment 30 days after invoice and as mutually agreed upon in the work order. This shall not affect offers of discounts for payment in less than 30 days, however.
- iv. All services provided under this master agreement, that are to be paid for with public funds, shall be billed by us at master agreement prices, regardless of which public agency is being billed.
- v. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Microsoft should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges that appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify Microsoft, in writing, as to those charges which it considers unreasonable and the basis for the determination. Microsoft may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges that are not in dispute (Code of Virginia, § 2.2-4363).

b. Subcontractors for consulting services:

- Microsoft is hereby obligated:
 - (a) To pay the subcontractor(s) within seven (7) days of the our receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the master agreement; or
 - (b) To notify the agency and the subcontractor(s), in writing, of our intention to withhold payment and the reason.
- ii. Microsoft is obligated to pay the subcontractor(s) interest at the rate of one percent per month on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (b) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the master agreement. Microsoft's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
- c. Fees to the Commonwealth. Microsoft will pay fees to the Commonwealth for eVA and the IFA as defined in Section 17 (p and r) below.

- 8. Pricing and price escalation.
 - a. Pricing for support services. Pricing for support services shall remain fixed for 12 months after the Execution Date of this master agreement. Annual price increases for these product support services for the remainder of the term of this master agreement shall not exceed 7% per year or current market price, whichever is lower Prices charged for product support services under this master agreement shall not exceed our current published price list. An additional discount of 2% will apply to the product support services under this master agreement when the Commonwealth's Premier support contracts exceed a total of 1600 TAM hours. When the threshold of 1600 TAM hours is reached, all existing Commonwealth of Virginia Premier support contracts will appreciate a 2% discount at the time of the next contract renewal. In addition, any new or modified service descriptions executed after the 1600 hour threshold has been reached will receive an additional 2% discount.
 - b. Pricing for consulting services. Pricing for consulting services shall remain fixed for 12 months after the Execution Date of this master agreement. Annual price increases for consulting services for the remainder of the term of this master agreement shall not exceed 3% per year. Prices charged for consulting services under this master agreement shall not exceed our current published price list. We will not change our hourly rates identified in a statement of services during the term of the statement of services, but we may adjust our hourly rates prior to entering any new statement of services if price increases have been instituted in the master agreement.
- Confidentiality. Subject to the requirements of your public records and trade secret laws (if any):
 - a. Confidential information. Confidential information means information marked or otherwise identified in writing by a party as proprietary or confidential or that, under the circumstances surrounding the disclosure, ought in good faith to be treated as proprietary or confidential. It includes, but is not limited to, non-public information regarding either party's products, features, marketing and promotions. Confidential information does not include information which: (i) the recipient developed independently; (ii) the recipient knew before receiving it from the other party; or (iii) is or subsequently becomes publicly available or is received from another source, in both cases other than by a breach of an obligation of confidentiality under this master agreement. The parties agree this master agreement and any statements of services are not confidential information but are public information. Upon execution, this master agreement will be published on the VITA and the eVA statewide electronic contracts site.
 - b. Use of confidential information. To the extent as permitted by the Code of Virginia, for a period of five years after initial disclosure, neither party will use the other's confidential information without the other's written consent except in furtherance of this business relationship or disclose the other's confidential information except (i) to obtain advice from legal or financial consultants, or (ii) if compelled by law, in which case the party compelled to make the disclosure will use its best efforts to give the other party notice of the requirement so that the disclosure can be contested.
 - To the extent as permitted by the Code of Virginia, you, your affiliates and we will take reasonable precautions to safeguard each other's confidential information. Such precautions will be at least as great as those each party takes to protect its own confidential information. Each party may disclose the other's confidential information to its employees or contractors only on a need-to-know basis, provided that such employees or contractors are subject to confidentiality obligations no less restrictive than those contained herein. When confidential information is no longer necessary to perform any obligation under any statement of services, the receiving party will at the other's request either return it or destroy it.
 - c. Retained rights. Each party is free to develop their respective products independently without the use of the other's confidential information. Neither you nor we are obligated to restrict the future work assignments of people who have had access to confidential information. In addition, you, we and these people are free to use the information that these people retain in their unaided memories related to information technology, including ideas, concepts, know-how or techniques, so long as such use

does not disclose confidential information of the other party in violation of this section 9. This use will not grant either party any rights under the other's copyrights or patents and does not require payment of royalties or separate license.

Either party may provide suggestions, comments or other feedback to the other with respect to the other's confidential information. Feedback is voluntary and the party receiving feedback is not required to hold it in confidence. The party receiving feedback will not disclose the source of feedback without the providing party's consent. Feedback may be used for any purpose without obligation of any kind.

- d. Cooperation in the event of disclosure. Each party will immediately notify the other upon discovery of any unauthorized use or disclosure of the other party's confidential information and will cooperate in any reasonable way to help the other regain possession of the confidential information and prevent further unauthorized use or disclosure.
- e. Knowledge base. We may use any technical information we derive from providing services related to our products for problem resolution, troubleshooting, product functionality enhancements and fixes, for our knowledge base. We agree not to identify you or disclose any of your confidential information in any item in the knowledge base.
- Warranties. We warrant that all services shall be performed in a good workmanlike manner. 10.
- No other warranties. EXCEPT FOR THE EXPRESS WARRANTY PROVIDED IN SECTION 6 11. (WARRANTIES), TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. WE DISCLAIM AND EXCLUDE ALL REPRESENTATIONS, WARRANTIES, AND CONDITIONS WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO REPRESENTATIONS, WARRANTIES, OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY CONDITION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SERVICES, SERVICE DELIVERABLES, FIXES, PRODUCTS, OR ANY OTHER MATERIALS OR INFORMATION. WE WILL NOT BE LIABLE FOR ANY THIRD PARTY SERVICES OR PRODUCTS UNLESS SUCH THIRD PARTY SERVICES OR PRODUCTS ARE EXPRESSLY PROVIDED UNDER A STATEMENT OF SERVICES, AND THEN ONLY TO THE EXTENT EXPRESSLY PROVIDED IN THIS MASTER AGREEMENT.
- Defense of infringement claim. We will defend you and your affiliates against any claim by an 12. unaffiliated third party that any service deliverable infringes its copyright, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent), to you and/or the applicable affiliate(s) to which such judgment applies subject to section 13(a) (Limitation). You must notify us promptly in writing of the claim and, to the extent permitted by applicable law of the Commonwealth of Virginia, give us sole control over its defense or settlement. You agree to provide us with reasonable assistance in defending the claim, and we will reimburse you and or the applicable affiliates for reasonable out of pocket expenses that you and they incur in providing that assistance.

Our obligations will not apply to the extent that any claim or adverse final judgment is based on (i) specifications, code, or materials you (or an affiliate) provides; (ii) your (or an affiliate's) use of service deliverables after we notify you to discontinue use due to such a claim; (iii) your (or an affiliate's) combining service deliverables with a non-Microsoft product, data or business process; (iv) use of, or access to, service deliverables by any person or entity other than you or your affiliates as permitted by the applicable statement of services; or (v) an alteration of service deliverables by someone other than us or our contractors. You or the applicable affiliate will be responsible for any costs or damages that result from these actions.

If we receive information concerning a copyright infringement claim related to a service deliverable, we may, at our expense and without obligation to do so, either (i) procure for you or your affiliates the right to continue to use the allegedly infringing service deliverable as permitted by the applicable statement of services, or (ii) modify the service deliverable to make it non-infringing or (iii) replace it with a non-infringing functional equivalent, in which case you will stop using the allegedly infringing service deliverable immediately. If however, as a result of a copyright infringement claim, your or your affiliate's use of a service deliverable as provided for under the applicable statement of services is enjoined by a court of competent jurisdiction, we will use commercially reasonable efforts to either procure the right to continue its use, modify it to make it non-infringing, or replace it with a non-infringing functional equivalent.

If any other type of third party claim is brought against you *or your affiliates* regarding our intellectual property, you *or the applicable affiliate* must notify us promptly in writing. *Subject to the terms of section 17.j.*, we may, at our option, choose to treat these claims as being covered by this section 12.

13. Limitations of liability.

- a. Limitation. There may be situations in which you have a right to claim damages or payment. Except as otherwise specifically provided in this paragraph, whatever the legal basis for your claims, our total liability (and that of our contractors) will be limited, to the maximum extent permitted by applicable law, to direct damages up to 100% of the amount you or such affiliate(s) have paid under the applicable statement of services, in the aggregate, for the services giving rise to the claims. In the event services or any service deliverables are provided to you on a gratuitous or no-charge basis, our total liability to you will not exceed US \$5000, or its equivalent in local currency. The limitation on direct damages under this paragraph will not apply with respect to the following in connection with the performance of this agreement (or any license or services agreement incorporating these terms):
 - (i) our obligations under Section 12 (defense of infringement and misappropriation claims);
 - (ii) our liability for damages for willful negligence or willful misconduct, to the extent caused by us or our agent and awarded by a court of final adjudication; and
 - (iii) our obligations under Section 9 (confidentiality).
- b. Exclusion of liability for damages. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS MASTER AGREEMENT, NEITHER PARTY NOR THEIR CONTRACTORS WILL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, CONSEQUENTIAL (INCLUDING WITHOUT LIMITATION, DAMAGES FOR BUSINESS INTERRUPTION, OR LOSS OF BUSINESS INFORMATION), SPECIAL, OR INCIDENTAL DAMAGES OR DAMAGES FOR LOSS OF PROFITS OR REVENUES ARISING IN CONNECTION WITH THIS MASTER AGREEMENT, ANY STATEMENT OF SERVICES, SERVICES, SERVICE DELIVERABLES, FIXES, PRODUCTS, OR ANY OTHER MATERIALS OR INFORMATION, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH POSSIBILITY WAS REASONABLY FORESEEABLE.
- c. Application. The limitations and exclusions of liability for damages in this section 13 apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.
- Term and termination. This master agreement will remain in effect for a three (3) year period and 14. may be renewed upon sole discretion of the Commonwealth for three (3) one-year periods. The term of any statement of services will be set forth in the statement of services. The parties signing the cover page of this master agreement may terminate it for convenience by giving the other party 30 calendar days prior written notice. In addition, unless otherwise provided in a services description for support services, your affiliate that signed the services description may terminate it for any reason by giving our affiliate that signed the services description 30 calendar days prior written notice. Unless otherwise provided in a work order for consulting services, your affiliate that signed the work order may terminate it for any reason by giving our affiliate that signed the work order five business days prior written notice. Either party signing the cover page may terminate this master agreement if the other party is (i) in material breach or default of any obligation that is not cured within 30 calendar days notice of such breach or (ii) fails to pay any invoice in accordance with section 7 entitled Payment and Fees. Either party signing a statement of services may terminate it if the other party is (i) in material breach or default of any obligation that is not cured within 30 calendar days notice of such breach or (ii) fails to pay any invoice in accordance with section 7. You agree to pay all fees for services performed and expenses incurred prior to termination and in accordance with section 7.

The sole effect of terminating this master agreement will be to terminate the ability of either party to enter into subsequent statements of services that incorporate the terms of this master agreement.

Termination of this master agreement will not, by itself, result in the termination of any statements of services previously entered into (or extensions of the same) that incorporate the terms of this master agreement, and the terms of this master agreement will continue in effect for purposes of such statements of services unless and until the statement of services itself is terminated or expires. To the extent necessary to implement the termination provisions of this master agreement or any statement of services, each of the parties waives any right it has, or obligation that the other party may have, now or in the future under any applicable law or regulation, to request or obtain the approval, order, decision or judgment of any court to terminate this master agreement or any statement of services.

In the event of non-appropriation, this paragraph 14 is not intended to create a request for payment except to the extent for payment of fees for services performed and expenses incurred prior to the date of termination and paid in accordance with section 7 above (payment and fees).

- Notices. All notices, authorizations, and requests given or made in connection with this master agreement must be sent by post (prepaid certified mail), or express courier, but not by facsimile or email to the addresses indicated on the cover page of this master agreement or such other addresses as may be provided in a statement of services. Notices will be deemed delivered on the date shown on the postal return receipt or on the courier confirmation of delivery.
- 16. Insurance. At all times when we will be performing services on your premises pursuant to this master agreement, we will procure and maintain the following coverage via either commercial insurance, self-insurance or a combination of the two:
 - a. Commercial General Liability covering bodily injury and tangible property damage liability with a limit of not less than U.S. \$1,000,000 each occurrence;
 - Workers' Compensation (or maintenance of a legally permitted and governmentally-approved program of self-insurance) covering Microsoft employees pursuant to applicable state workers' compensation laws for work-related injuries suffered by our employees;
 - c. Employer's Liability with limits of not less than U.S. \$1,000,000 per accident; and
 - d. Communications Liability Errors & Omissions Liability covering damages arising out of negligent acts, errors, or omissions committed by us or our employees in the performance of this master agreement, with a limit of liability of not less than U.S. \$2,000,000 per claim.

We will provide you with evidence of coverage on request.

17. Miscellaneous.

- a. Right to subcontract and assignment. Neither party may assign this master agreement or any statement of services without the written consent of the other, which consent will not be unreasonably withheld. We may use contractors to perform services, in which case we will be responsible for the performance of our contractors. "Contractor(s)" means any third party supplier or other provider of computer technology or related services.
- b. Independent contractor. We provide our services as an independent contractor, and will be responsible for any and all social security, unemployment, workers' compensation and other withholding taxes owed by us for all of our employees
- c. Applicable law. This master agreement together with the applicable statement of services will be interpreted in accordance with and governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the appropriate Virginia circuit court. Microsoft shall comply with all applicable federal, state, and local laws. This does not prevent either party from seeking injunctive relief with respect to a violation of intellectual property rights or confidentiality obligations in any appropriate jurisdiction as long as it is within the appropriate Virginia circuit court.

- d. Entire agreement. This master agreement (including any Exhibits and amendments thereto in reverse order of execution) and the statements of services constitute the parties' entire agreement concerning the subject matter hereof, and supersede any other prior and contemporaneous communications. Any terms and conditions maintained by you or your affiliates or contained in any purchase order, other than those mandatory terms required by law, will not apply. Terms specific to the services will be defined in the statement of services. The parties signing the cover page of this master agreement may amend this master agreement only in a writing signed by an authorized agent of both parties. The parties signing a statement of services may amend the statement of services only in a writing signed by an authorized agent of both parties. In the event the terms of this master agreement conflict or are otherwise inconsistent with the terms of any statement of services, the terms of this master agreement including any amendments thereto in reverse order of execution will control.
- e. Survival. The sections regarding restrictions on use, fees, confidentiality, no other warranties, defense of infringement claims, limitations of liability, term and termination, notices, and miscellaneous of this master agreement, and any provision regarding ownership and license in a statement of services, will survive any termination or expiration of this master agreement or any statement of services. Additionally, as provided in section 10 (Term and termination) above, if this master agreement is terminated all its terms shall survive termination for purposes of any remaining statement of services in existence at the time this master agreement is terminated.
- f. Severability. If a court holds any provision of this master agreement or a statement of services to be illegal, invalid or unenforceable, the remaining provisions will remain in full force and effect and the parties will amend the master agreement or statement of services to give effect to the stricken clause to the maximum extent possible.
- g. Waiver. No waiver of any breach of this master agreement or statement of services will be a waiver of any other breach, and no waiver will be effective unless made in writing and signed by an authorized representative of the waiving party.
- h. Force majeure. Apart from the payment of any amounts due (except due to non-appropriation of funds), neither party shall be liable for performance delays or for non-performance due to causes beyond its reasonable control.
- i. Cost or pricing data. We will not, under any circumstances, accept any statement of services that would require the submission of cost or pricing data.
- j. Compliance with <u>Code of Virginia</u>. We agree to comply with all provisions of the <u>Code of Virginia</u> to the extent applicable to this agreement.
- k. Non-appropriation. All payment obligations under this master agreement are subject to both (i) the availability of legislative appropriation for this purpose, and (ii) such funds being made legally available for payment. In the event of non-appropriation of funds by the Legislature, or of such funds not being made legally available for the purchase of items under this contract, then you may cancel your purchase order for the remaining services for which funds have not been appropriated or made legally available for payment,
- I. Contractual records. We shall make timesheets and billing records available to the Commonwealth and its designated agents for purposes of audit and examination for a period of three years after final payment.
- m. Conflicting terms. If any provision appearing in this agreement purports to cause the Commonwealth to bestow a right or incur an obligation that is beyond the legal authority of the Virginia Information Technologies Agency to bestow or incur on behalf of the Commonwealth, then that provision shall be deemed of no effect. VITA has been delegated, by the Code of Virginia, the purchasing authority to enter into statewide contracts for the purchase of information technology services.
- n. Effective date. This agreement is not legally binding until executed by both parties and shall become effective on the date of signature of the Commonwealth of Virginia, through the Virginia Information Technologies Agency.

o. eVA Business-To-Government contracts: The eVA Internet electronic procurement solution, web site portal www.eva.state.va.us, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies.

Microsoft shall participate in the eVA Internet e-procurement solution and agrees to comply with the following:

- i. Submit a fully executed American Management Systems, Inc., ("AMS") Trading Partner Agreement, a copy of which can be accessed and downloaded from www.eva.state.va.us. AMS is the Commonwealth's service provider to implement and host the eVA e-procurement solution.
- ii. Provide an electronic catalog (price list) for items awarded under a term contract. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from www.eva.state.va.us.
- p. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION: Microsoft shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service, and complete the Ariba Commerce Services Network registration.
 - i. eVA Basic Vendor Registration Service: Microsoft will pay a \$25 Annual Fee plus Microsoft will be invoiced and will pay a Transaction Fee of 1% per order received or \$500, whichever is less, to participate in the eVA Basic Vendor Registration Service. The maximum transaction fee is \$500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding, as they become available.
 - ii. eVA Premium Vendor Registration Service: If Microsoft chooses, it may participate in the eVA Premium Vendor Registration Services for a \$200 Annual Fee plus a Transaction Fee of 1% per order received or \$500, whichever is less. The maximum transaction fee is \$500 per order. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments, and ability to research historical procurement data, as they become available.
 - iii. Ariba Commerce Services Network Registration. Microsoft will register with the Ariba Commerce Services Network ("ACSN"). This registration is required and provides the tool used to transmit information electronically between state agencies and vendors. There is no additional fee for this service.
- q. Microsoft's report of sales. Microsoft must report the monthly dollar value, in U.S. dollars and rounded to the nearest whole dollar, of all sales under this master agreement. Reports are to be provided on the 15th of each month, reporting transactions that took place in the immediate prior month. The dollar value of a sale is the price paid by VITA or its affiliates for services on a work order or services description as recorded by Microsoft for the prior month. The reported monthly master agreement sales value must include the Industrial Funding Adjustment, as delineated in Section 17.r. entitled "Industrial funding adjustment". Microsoft shall provide this report in electronic copy to the VITA Controller and a copy of the report to the VITA Contract Administrator by the 15th of each month as defined herein. The report must show spend by agency/entity, agency/entity contact name and phone number, consultant staff level (for consulting services) or type of support (for Premier Support), hourly rate charged, total invoiced amount, monthly sales total and Commonwealth aggregate total.
- r. Industrial funding adjustment. Microsoft must pay VITA, an Industrial Funding Adjustment ("IFA"). Microsoft must remit the IFA by the 15th of each month, reporting transactions that took place in the immediate prior month. The IFA equals two percent (2%) of the total monthly sales reported. Microsoft shall remit the IFA together with a copy of the Microsoft's Report of Sales as delineated in the paragraph herein entitled "Microsoft's report of sales". The IFA reimburses the Commonwealth and defrays the costs for IT procurement and the administration of the subsequent awards. The IFA amount due will be paid by electronic funds transfer with identification of "Contract number", "report amounts", and "report period", on either the check stub or other remittance material.

If the full amount of the IFA is not paid within 15 calendar days after the end of the applicable reporting period, it shall constitute a contract debt to the Commonwealth of Virginia, and the Commonwealth may exercise all rights and remedies available under law. Failure to submit sales reports, falsification of sales reports, and or failure to pay the IFA in a timely manner may result in termination or cancellation of this master agreement. Willful failure or refusal to furnish the required reports, falsification of sales reports, or

failure to make timely payment of the IFA constitutes sufficient cause for terminating this master agreement for default.

It is the intent of the Commonwealth to capture 2% of all sales invoiced under this master agreement.

s. Drug-free workplace. During the performance of this Contract, Microsoft agrees to (i) provide a drug-free workplace for the Microsoft's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in Microsoft's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Microsoft that Microsoft maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific statement of services awarded to Microsoft, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the statement of services.

t. Contractual disputes. In accordance with Section 2.2-4363 of the Code of Virginia, contractual claims, whether for money or other relief, shall be submitted in writing to the purchasing agency no later than sixty (60) days after final payment; however, written notice of Microsoft's intention to file such claim must be given to such agency at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The purchasing agency shall render a final decision in writing within thirty (30) days after its receipt of Microsoft's written claim.

Microsoft may not invoke any available administrative procedure under Section 2.2-4365 of the <u>Code of Virginia</u> nor institute legal action prior to receipt of the purchasing agency's decision on the claim, unless that agency fails to render its decision within thirty (30) days. The decision of the purchasing agency shall be final and conclusive unless Microsoft, within six (6) months of the date of the final decision on the claim, invokes appropriate action under Section 2.2-4364, <u>Code of Virginia</u> or the administrative procedure authorized by Section 2.2-4365, <u>Code of Virginia</u>.

The Virginia Information Technologies Agency, its officers, agents and employees, including, without limitation, are executing this master agreement and any statements of services issued hereunder, solely in its or their statutory and regulatory capacities as agent for the Commonwealth agency purchasing and receiving the services on the statement of services in question and need not be joined as a party to any dispute that may arise thereunder.

In the event of any breach by the Commonwealth, Microsoft's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this master agreement. In no event shall Contractor's remedies include the right to prematurely terminate any license or support services hereunder.

Except for those controversy and claims involving a breach of either party's intellectual property rights or confidentiality obligations, any controversy or claim arising out of or relating to the Agreement whether with respect to the interpretation of any provision of the Agreement, or with respect to the performance of either party hereto, shall be resolved as follows: 1) senior representatives from both parties shall meet and negotiate in good faith to resolve the controversy or claim, 2) if after 30 calendar days either of the representatives concludes, after a good faith attempt to resolve the dispute, that amicable resolution through continued negotiation of the matter at issue does not appear likely to resolve the controversy or claim, than such controversy or claim may be submitted to alternative dispute resolution.

Exhibit A

Microsoft Consulting Services Work Order

(For Microsoft Internal Purposes Only)	Work Order Number:
MCS (Non-Standard)- (Public Sector)	Project Code:
	Client Type: State Government
	Vertical Industry: Government
	Customer Purchase Order Number:
	Customer Purchase Order Number:

This work order is made pursuant to the Microsoft Master Services Agreement – State & Local, Agreement No. (the "agreement") effective as of ____, by and between the Virginia Information Technologies Agency ("VITA") and the undersigned Microsoft affiliate ("we," "us," or "our"). The terms of the agreement are incorporated herein by this reference. Any terms not otherwise defined herein will assume the meanings set forth in the agreement. This work order is comprised of this cover page and the work order terms below, which are incorporated herein by this reference.

Customer Invoice Information				
Name of Customer				A/P Contact Name (This person receives invoices under this work order.)
Street Address				Contact E-mail Address
City			State/Province VA	Phone
Country		USA	Postal Code	Fax
Invoicing	THE RESERVE OF THE PERSON NAMED IN		THE RESERVE	
We will invoice you according to our figurevious period. Our invoices for paym	ent will be directed to your repre	sentative for p	formed and exper payment at the ad	nses incurred during the dress shown above.
Contact Name:	Contact E-mail address:	арриоавіс).	Contact phone	No.:
Web site address: http://www.doa.state.va.us/procedures/	adminservices/capp/capp1.htm			
Period of Performance				
Services under this work order will co continue work after the expiration date order identifying the new expiration date	, you and we must agree in writ e and any other terms upon whic	ing to a new to the you and we	work order or an a agree.	amendment to this work
Payments to Microsoft she By Check: Microsoft Enterprise Microsoft Enterprise Ser By Wire: Microsoft Enterprise S	ould be made to the following, Services, P.O. Box 844510, Da vices, Lockbox #844510, 1401	include refer allas, TX 7528 Elm Street, F 5354/ ABA#1	ence to our invo 4-4510, or if by o ifth Floor, Dallas 1100001-2, Bank	overnight delivery, s, TX 75202 of America, N.A.
Attachments requ	ired with invoice (Status Repo	restrine texp	elise Dieakouts,	Othory.

Name of Customer		Project leader (This person is your point of contact for all service-related matters unde this work order.)		
Street Address			Contact E-mail Address	
City		State/Province VA	Phone	
Country	USA	Postal Code	Fax	

By signing below the parties acknowledge and agree to be bound to the terms of the agreement and this work order.

Customer	Microsoft Affiliate			
Name of Customer (please print)	Name Microsoft Corporation			
Signature	Signature			
Name of person signing (please print)	Name of person signing (please print) David T. Gallagher			
Title of person signing (please print)	Title of person signing (please print) Contracts Manager			
Signature date	Signature date			

- Services. We will perform the services identified below for you. Any dates provided are estimates only. Most of the services will be performed at the place of performance identified on the cover page or at such other facility as you specify in writing. Some services may be performed off-site at our facilities. All off-site services will be coordinated with your project leader for the services. Because we are performing the services under your direction, based on an estimated period of performance and fees, we do not warrant that any services deliverables will be completed or be satisfactory to you within the estimated period or fees.
- 2. Fees. We offer our services on a time and expense basis. You will pay the following hourly rates and any reasonable out of pocket travel and living expenses (if any) for the individuals assigned. We reserve the right to utilize whichever labor categories in whatever quantities we determine, in our sole discretion, are appropriate to perform the services. Any total fee and labor hours stated are estimates only. The fees do not include fees for products. Unless otherwise specified in the invoice, you will pay us within 30 calendar days of the date of our invoice.
- Your responsibilities. In addition to your responsibilities described in Section 1, "Services", above, you will, at your expense, provide us the following:
 - access to all necessary on-site facilities, including office space, telephones, analogue modems or PPTP, computer equipment, internet access, and test and monitoring equipment;
 - access to and copies of relevant technical information;
 - access to and sufficient time with your technical, management, and other personnel as necessary for us to perform the services; and
 - a project leader as your primary point of contact with us and to provide technical direction to our personnel performing the services.

Microsoft Premier Support Services Description-Exhibit B

	or Microsoft Internal Purp emier Support Contrac		
(the "Agreement") eff and the undersigned Microsoft a reference. Any terms not other	fective as of	by and between the und Our"). The terms of the Ag assume the meanings set	oft Master Services Agreement, number dersigned customer or its affiliate ("You") preement are incorporated herein by this forth in the Agreement. This Services w, which are incorporated herein by this
Customer invoice information			
Name of Customer			on receives invoices under this sotherwise specified on your
Name of Customer or Affiliate the	at executed the Agreem	ent if different than the und	ersigned
Street Address		Contact E-mail Address	
City	State/Province	Phone	
Country	Postal Code	Fax	
Invoicing			
Description. We will invoice Yo a purchase order, check, or other are payable within 30 days of reshown above unless otherwise Descriptions will be invoiced upon the control of the contr	u for additional services er acceptable form of pa eceipt by You and will be provided in a Purchase upon our acceptance of	performed and expenses in syment before We will begin e directed to Your represent e Order. Notwithstanding this Services Description	upon acceptance of this Services nourred. We must be in receipt of a providing Services. Our invoices stative for payment at the address the foregoing, multi-year Service for year one and the remaining at date as defined on the Fee and
This Services Description will co the date We conclude the service		and will expire on	(the "expiration date") or

By signing below the parties acknowledge and agree to be bound to the terms of the Agreement and this Services Description.

Customer	Microsoft Affiliate
Name of Customer (please print)	Name Microsoft Corporation
Signature	Signature
Name of person signing (please print)	Name of person signing (please print)
Title of person signing (please print)	Title of person signing (please print)
Date	Date

1. **OVERVIEW.** This Services Description describes the various types of services that may be obtained (the "Services"). In addition, it sets forth the parties' respective responsibilities, prerequisites and assumptions that underlie the provision of the Services, applicable fees, and additional terms and conditions. The Services focus on the following key areas:

Support Account Management from an assigned Microsoft resource (TAM) helps to build and maintain relationships with Your management and service delivery staff and helps you arrange each element of the Premier Support to meet Your business requirements.

Workshops help You to prevent problems, increase system availability and assist with creating products and solutions based on Microsoft technologies.

Problem Resolution Support provides assistance for problems with specific symptoms encountered while using Microsoft products, where there is a reasonable expectation that the problem is caused by Microsoft products.

Support Assistance provides short-term advice and guidance for problems not covered with Problem Resolution Service as well as requests for consultative assistance for design, development and deployment issues.

Information Services provide Your staff with the latest knowledge on Our technologies to enhance Your in-house support capabilities.

- 2. AVAILABLE SERVICES. You may utilize any combination of the following Services. Unless We specify otherwise, the services are charged on an hourly basis and will be deducted from the total number of hours You have purchased as set forth in the attached Fee and Named Contacts Schedule(s).
- 2.1 Support Account Management. Support Account Management services are intended to help coordinate the support and services relationship. The Services Resource (TAM) is Your advocate within Microsoft and facilitates a team that can provide Workshops, Problem Resolution Support, and Support Assistance. The Services Resource also serves as the point of information delivery and provides Your feedback regarding the Services to other Microsoft groups. The Services Resource (TAM) can also provide the following services which will not be deducted from the overall pre-paid hours listed in the Fee and Named Contacts Schedule(s):
 - a. <u>Planning and Resource Facilitation</u>. At the commencement of this Service Description, an orientation and planning session can be conducted with Your management and staff via teleconference or onsite if an onsite visit has been purchased. The purpose of this meeting is to discuss the Services available, gather input regarding Your support needs, and jointly plan Your use of the Services.
 - b. <u>Status Meetings and Reporting</u>. A standard status report can be prepared on a regular basis, to summarize the Services delivered during the previous reporting period. Status meetings will be conducted to discuss Service activities, monitor Your satisfaction levels, and discuss actions or adjustments that may be required. Customize reporting can be provided at Your request and any additional related labor will be deducted from Your Support Assistance hours.
 - c. <u>Escalation Management</u>. Support issues that require escalation to other resources within Microsoft can be closely managed by the Services Resource to expedite resolution.
- 2.2 Workshops. Workshops are designed to reduce the number and minimize the impact of problems related to Microsoft products experienced by You. Workshops can include the following:
 - a. Workshops. We can conduct instructor-led training sessions that emphasize Microsoft technologies at Your facility or on location at Microsoft. If You elect to have a workshop conducted at Your facility, We will provide You with specifications for configuring Your environment prior to the delivery of the workshops. Workshops are individually scoped and priced depending upon the length, delivery location and material presented. Your Services Resource can provide You with a current list of available workshops.
 - b. <u>Premier Events.</u> We can provide broad and deep technical development-focused presentations, combined with hands-on labs that provide training and facilitate your implementations of Microsoft technologies. These events provide the opportunity to interact with Microsoft product groups, Premier support development resources and marketing contacts. Your Services Resource (TAM) can provide You with notification of scheduled events.
- 2.3 Problem Resolution Support. Problem Resolution Support provides assistance for problems with specific symptoms encountered while using Microsoft products, where there is a reasonable expectation that the problems are caused by Microsoft products. Problem Resolution Support is available 24 hours a day, 7 days a week. Requests for support may be submitted via telephone or electronically through the Premier online website by Your designated contacts, except for

Severity 1 and A which must be submitted via telephone as set forth below in Section 2.3(a). Problem Resolution Support can include any combination of the following:

a. Problem Request (Break-Fix). An assisted break-fix support request, also known as an incident, is defined as a single support issue and the reasonable effort needed to resolve it. A single support issue is a problem that cannot be broken down into subordinate issues. If a problem consists of subordinate issues, each shall be considered a separate incident. Incidents requiring an onsite visit will be charged on an hourly basis and will include charges for reasonable travel and living expenses. In certain situations, we may provide you with a modification to the commercially available Microsoft product software code to address specific critical problems ("Hotfixes") in response to an assisted break-fix support request. Hotfixes are designed to address your specific problems and are not regression tested. Except as otherwise provided herein or in an Exhibit, Hotfixes may not be distributed to unaffiliated third parties without our express written consent.

You have purchased the following Problem Resolution Support:

Hours-based Incidents are charged on an hourly basis and include the commercially reasonable amount of
hours of Services necessary to troubleshoot and resolve the support issue. Hours-based incidents are
deducted from the pre-paid hours set forth in the attached Fee and Named Contacts Schedule(s) or charged to
you in arrears if all pre-paid hours have been exhausted.

You are responsible for setting the initial severity level (1-C) and can request a change in severity level at any time. The incident severity will determine the response levels within Microsoft and estimated response times and Your

responsibilities are defined in the following table:

Severity	Customer's situation	Expected Microsoft Response	Expected Customer Response
1	Critical business impact: Customer has complete loss of a core (mission critical) business process and work cannot reasonably continue Needs immediate attention	MS Resources at customer site as soon as possible. Rapid Escalation within Microsoft to Product teams Notification of Senior Executives at Microsoft 1st call response in 1 hour or less	Notification of Senior executives at customer site Allocation of appropriate resources to sustain continuous effort on a 24x7 basis Rapid access and response from change control authority
А	Significant business impact: Customer's business has significant loss or degradation of services Needs attention within 1hour	1st call response in 1 hour or less continuous effort on a 24x7 basis Notification of Senior Managers at Microsoft.	Allocation of appropriate resources to sustain continuous effort on a 24x7 basis Rapid access and response from change control authority Management notification
В	Moderate business impact: Customer's business has moderate loss or degradation of services but work can reasonably continue in an impaired manner. Needs attention within 2 hours	1 st call response in 2 hours or less	Allocation of appropriate resources to sustain continuous effort on a 24x7 basis
С	Minimum business impact: Customer's business is substantially functioning with minor or no impediments of services. Needs attention within 4 hours	1 st call response in 4 hours or less	Accurate contact information on case owner Responsive within 24 hours.

Severity is controlled by the customer in consultation with their Microsoft support contact.

You may be required to perform problem determination and resolution activities as requested by Us. Problem determination and resolution activities may include performing network traces, capturing error messages, collecting configuration information, changing product configurations, installing new versions of software or new components, or modifying processes.

You are responsible for implementing the procedures necessary to safeguard the integrity and security of Your software and data from unauthorized access and to reconstruct lost or altered files resulting from catastrophic failures.

- b. <u>Rapid Onsite Support Services (ROSS)</u>. Onsite emergency support is available as an additional billable service. Our ability to provide onsite emergency support is subject to Our resource availability, and the tasks performed will vary depending on the situation, environment, and business impact of the problem.
- 2.4 Support Assistance. Support Assistance provides short-term advice and guidance for problems not covered with Problem Resolution Support as well as requests for consultative assistance for design, development and deployment issues. Your Services Resource (TAM) will work with you to determine your specific consulting needs.

The following are types of Support Assistance that can be utilized under this Services Description:

a. <u>Infrastructure Support Assistance</u>. Infrastructure Support Assistance includes informal advice, guidance and knowledge transfer intended to help you implement Microsoft technologies in ways that avoid common support issues and decrease the likelihood of system outages.

These services also help you to resolve problems that are not attributed to Microsoft Products including:

- Errors caused by your networking infrastructure, hardware, non-Microsoft software, operational procedures, architecture, IT service management process, system configuration or human error.
- Multi-vendor coordination interoperability problems. Upon your request, we will collaborate with third-party software suppliers to help resolve complex multi-vendor product interoperability issues.
- b. <u>Reviews.</u> Each review is individually scoped and estimated prior to scheduling resources, and a written report is produced to document findings and recommendations. In order for us to complete reviews during the term of this Services Description, all requests for reviews and the applicable data must be submitted to us no later than 60 days prior to expiration date of the Services Description set forth on the cover page. Reviews to address design, development, deployment, and supportability issues including the following:
 - Supportability Review is an assessment of a current implementation or planned implementation of a specific system, migration, or upgrade and may include recommendations for a more supportable environment.
 - Technology Architecture Reviews examine the alignment and planned deployment of technology intended to address your business goals or problems with a focus on determining how our technology offerings best fit within your overall technology architecture.
 - Application Design Reviews examine application or product component architecture, focusing on the
 design of components for deployment in a multi-tiered architecture model. This review specifically
 addresses issues including compliance with our component design guidelines, effective distributed
 component communication techniques, and efficient use of runtime services.
 - Code Reviews examine the specific, critical software components in your applications for existing or expected problems. We will work with you to choose the appropriate components for analysis.
 - Custom Reviews that can be crafted to meet your specific needs as they relate to the use of our technologies.
- c. <u>Development Support Assistance</u>. Application Development Consulting helps you in the creation and development necessary to build internal applications on the Microsoft platform that integrate Microsoft technologies. Application Development Consulting specializes in our development tools and technologies.
- Lab Access. Microsoft can provide access to a lab facility to assist with product development, testing, and migration activities. These facilities must be scheduled in advance and are subject to availability.
 - Application Performance Benchmarking can assist in evaluating application performance and identify performance bottlenecks. The lab facilities can also be used to evaluate scalability limitations based on specific objectives.
 - Prototyping can assist in building proof-of-concept scenarios or workarounds in order to validate implementation of Microsoft technology.
 - Porting and Migration Assistance can help devise strategies for porting and migrating applications and data to Microsoft technologies. The lab facilities can be used to validate specific techniques and identify potential problem areas.
- e. <u>SUPPORT CONSULTING SERVICES</u>. Support Consulting resources are specialists in a defined product area. A Support Consulting resource will respond to Problem Requests for the technologies specified in the Fee and Named Contact Schedule during normal business hours. A Support Consulting resource can be available 24 hours a day, 7 days a week when support escalations or planned deployments are pre-arranged. Problem Requests submitted to the Support Consulting resource may require resources from standard product support professionals for resolution, although the Support Consulting resource retains primary responsibility for the request. Problem Requests may be opened using the standard product support process as described in the Services Description depending on the availability of the Support Consulting resource and the severity of the issue. Support Consulting hours are deducted from the total number of Support Consulting hours set forth in the Fee and Named Contacts Schedule(s).

2.5 Information Services. Information Services provide You with technical information about Microsoft products and support tools that help You to implement and operate Microsoft products in a more efficient and effective manner. Information Services can include any combination of the following:

Included Information Services:

- a. <u>Premier online website</u>. The Premier online website provides access to the following information resources at no additional charge:
 - Regularly updated product news flashes documenting key support and operational information about Microsoft products.
 - Critical problem alerts notifying You of potentially high-impact problems.
 - Web response tool for submitting and checking the status of support incidents.
 - · Microsoft KnowledgeBase of technical articles and troubleshooting tools and guides.
- Support Webcasts. Support webcasts are regularly scheduled webcast discussions led by Our program managers, developers and professionals covering key areas of Microsoft technology. These are provided at no additional charge.

Optional Information Services where additional fees may apply:

- Optional Microsoft TechNet Plus CD or DVD. Single server license of TechNet Plus provides an
 information resource that includes technical documentation, resource kits, the most recent service
 packs, and updated drivers and patches.
- Optional Microsoft Developer Network (MSDN) CD or DVD. Universal Edition, single user license of MSDN provides access to an extensive collection of programming information, development toolkits, and sample code library.
- Optional Microsoft Press book packages. Microsoft Press book packages provide reference materials to address key areas of planning, deploying, and administering Microsoft technologies. Package titles are available upon request and are listed on the Premier online website.

2.6 Additional Services. You may request changes or additions to this Services Description at any time. Additional Services that are available for purchase, and the specific terms and conditions applicable to those Services, may be set forth in this Services Description, as specified in Exhibit D per the MSA agreement. Additional Services will be invoiced at the prevailing price at the time the Services are rendered as specified in Exhibit D per the MSA agreement. Prior to delivering additional Services, We must be in receipt of a purchase order, check or other acceptable form of payment.

- 3. PREREQUISITES AND ASSUMPTIONS. Our delivery of Services under this Services Description is based upon the following Prerequisites and Assumptions:
 - a. All Services will be provided remotely to Your locations in the United States unless otherwise set forth in an Exhibit to this Services Description. Where onsite visits are mutually agreed, You will be billed for reasonable travel and living expenses.
 - b. All Services will be provided in the English language unless otherwise agreed to by you and us in writing or in an Exhibit to this Services Description.
 - c. We will provide support for all United States versions of commercially released generally available Microsoft products unless otherwise set forth in an Exhibit to this Services Description or specifically excluded on the Premier online website. Support for those Microsoft products that have entered the Extended Phase of support, as defined on the Premier online website, will be charged on an hourly basis only. Hotfix support is not available for Microsoft products that have entered the Extended Phase of support unless You have purchased such support in an Exhibit to this Services Description.
 - d. Support for pre-release products is not provided except as otherwise provided in an attached Exhibit.
 - All Services, including any additional Services purchased after the Effective Date shall be forfeited if not utilized during the term of this Services Description.
 - Support Assistance is dependent upon the availability of resources.

- q. We can access Your system via remote dial-in to analyze problems at your request. Our personnel will access only those systems authorized by You. We may provide You with software to assist with problem diagnosis and/or resolution. Such software is Our property and must be returned to Us promptly upon request. In order to utilize remote dial-in assistance. You must provide us with the appropriate access and necessary equipment.
- h. You must have access to the Internet in order to take advantage of Internet-based services.
- Additional Prerequisites and Assumption may be set forth in relevant Exhibits.
- 4. YOUR RESPONSIBILITIES. This section sets forth Your performance obligations under this Services Description. Our performance is predicated upon You fulfilling the following responsibilities in addition to those set forth in Section 2.3 and any applicable Exhibits. Failure to comply with the following responsibilities may result in delays of Service.
 - You can designate named contacts as set forth in the attached Fee and Named Contacts Schedule(s), one of which will be the Customer Support Manager ("CSM") for support related activities. The CSM is responsible for leading Your team and will manage all of Your support activities, and internal processes for submitting support requests to Us. Each contact will be supplied with an individual account number for access to the Premier online website. support issue submission and access to Your Services Resource. In addition to the named contacts, You may also identify two types of group contacts as follows:
 - One type will receive a shared account ID that provides access to the Premier online website for information content and the ability to submit support requests through the Premier online website or by telephone.
 - One type will receive a shared account ID that provides access to the Premier online website for information content only.
 - You agree to work with Us to plan for the utilization of Services based upon the service level You purchased.
 - You agree to provide an internal escalation process to facilitate communication between Your manager and us as appropriate.
 - d. You agree to provide feedback regarding the Services to the Services Resource on a regular basis.
- 5. ADDITIONAL TERMS AND CONDITIONS. Except as otherwise set forth in an Exhibit (or attachment to an Exhibit) to this Services Description, this section governs the ownership and use rights of any computer code or other materials that may be provided under this Services Description.
 - Pre-existing Work. All rights in any computer code or materials developed or otherwise obtained by or for Us or Our affiliates, or You or Your affiliates independently of this Services Description ("Pre-existing Work") shall remain the sole property of the party providing the Pre-existing Work. During the performance of the Services for this Services Description, each party grants to the other party (and Our contractors as necessary) a temporary, non-exclusive license to use, reproduce and modify any of its Pre-existing Work provided to the other party solely for the performance of such services. We grant You a non-exclusive, perpetual, fully paid-up license to use, reproduce and modify (if applicable) Our Pre-existing Work in the form delivered to You for Your internal business operations without any obligation of accounting or payment of royalties. Your licenses to Our Pre-existing Work are conditioned upon Your compliance with the terms of the Agreement and this Services Description and the perpetual license applies solely to Our Pre-existing Work that is left to You at the conclusion of Our performance of the Services.
 - Materials. All rights in any materials developed by Us (other than software code) and provided to You in connection with the Services ("Materials") shall be owned by Us except to the extent such Materials constitute Your Pre-existing Work. Upon payment in full, We grant You a non-exclusive, perpetual, fully paid-up license to use, reproduce and modify the Materials solely for Your internal business operations and without any obligation of accounting or payment of royalties. You may sublicense the rights granted herein to Your Affiliates. All rights not expressly granted, are reserved.
 - Sample Code. We grant You a nonexclusive, perpetual, royalty-free right to use and modify any software code provided by Us for the purposes of illustration ("Sample Code") and to reproduce and distribute the object code form of the Sample Code, provided that You agree; (i) to not use Our name, logo, or trademarks to market Your software product in which the Sample Code is embedded; (ii) to include a valid copyright notice on Your software product in which the Sample Code is embedded; and (iii) to indemnify, hold harmless, and defend Us and Our suppliers from and against any claims or lawsuits, including attorneys' fees, that arise or result from the use or distribution of the Sample Code.
 - d. Reservation of rights. All rights not expressly granted in this Section 5 are reserved. Additionally, notwithstanding anything to the contrary in this Services Description, You may not give Us access to or otherwise incorporate, contribute or combine Our pre-existing work, Hotfixes, Materials or Sample Code with any software or other

materials that requires as a condition of use, modification, and/or distribution of Microsoft's pre-existing work, Hotfixes, Materials or Sample Code (either in whole or in part) be generally (i) disclosed or distributed in source code or object code form; (ii) licensed for the purpose of making derivative works; or (iii) redistributable. This restriction also applies to anyone who obtains Hotfixes, Materials or Sample Code from You.

6. Attac	chments: The following Schedule	and Exhibit(s) are attached at the e	execution of this Services Description:
	Microsoft Premier Support Service	ces Description Schedule: Fee and N	Named Contacts Schedule
Micro	soft Premier Support	Services Description S	chedule:
Fee a	and Named Contacts		
		(For Microsoft Internal Purpose Schedule Number	# Date
"Servic Descrip of the otherwis 1. PRE	tes Description") by and beto bition and the Microsoft affiliate Agreement and the Services se defined herein will assume to MIER SUPPORT SERVICES AND	("We," "Us," or "Our") as specific Description are incorporated has the meanings set forth in the Agr	ate ("You") as specified on the Services ed on the Services Description. The terms nerein by this reference. Any terms no reement and the Services Description.
		Description of Services	
	XXXX		
	 Unlimited User Access to 	Premier Online Website	m .
	Total Due From Customer:		
	ROSOFT CONTACT osoft Contact: Contact for question	ions and notices about this Schedule	e and the Service Description:
Micro	osoft Contact Name:		
Addre			
	osoft Corporation		
	: Erica Marley) Microsoft SAMM D/4448		
One			

Redmond, WA 98052_

Phone: (425) 704-5768

Email: margardi@microsoft.com Facsimile: (425) 936-7329

3. CUSTOMER NAMED CONTACTS (ONLY FILL IN IF CHANGES ON RENEWAL CONTRACT)

a. Premier Customer Named Contacts:

CSM Name:

Address:

Phone: ()

Email:

Facsimile: ()

☐ Check here for MSDN or TechNet recipient if included ☐ Check here for DVD format ☐ Check here for CD format (default if neither are checked)	□ Check here for MSDN or TechNet recipient if included □ Check here for DVD format □ Check here for CD format (default if neither are checked)
CSM Name:	Named Contact Name:
Address:	Address:
Phone: ()	Phone: ()
Email:	Email:
Facsimile: ()	Facsimile: ()
☐ Check here for MSDN or TechNet recipient if included ☐ Check here for DVD format ☐ Check here for CD format (default if neither are checked)	☐ Check here for MSDN or TechNet recipient if included ☐ Check here for DVD format ☐ Check here for CD format (default if neither are checked)
Named Contact Name:	Named Contact Name:
Address:	Address:
Phone: ()	Phone: ()
Email:	Email:
Facsimile: ()	Facsimile: ()

EXHIBIT C

MICROSOFT CONSULTING SERVICES PRICE SCHEDULE FOR VIRGINIA MASTER SERVICES AGREEMENT

	Yea 3/16 3/15	6/04 -	Year 2 3/16/05 - 3/15/06		Year 3 3/16/06 - 3/15/07		Year 4 3/16/07 3/15/08	
Architectural Consultant	\$	296.00	\$	305	\$	314	\$	323
Principal Consultant	\$	289.00	\$	298	\$	307	\$	316
Managing Consultant	\$	289.00	\$	298	\$	307	\$	316
Senior Consultant	\$	255.00	\$	263	\$	271	\$	279
Consultant	\$	230.00	\$	237	\$	244	\$	251
Associate Consultant	\$	188.00	\$	194	\$	199	\$	205
Technician V	\$	251.00	\$	259	\$	266	\$	274
Technician IV	\$	221.00	\$	228	\$	234	\$	241
Technician III	\$	197.00	\$	203	\$	209	\$	215
Technician II	\$	162.00	\$	167	\$	172	\$	177
Technician I	\$	142.00	\$	146	\$	151	\$	155
Technician	\$	100.00	\$	103	\$	106	\$	109
Associate Technician	\$	78.00	\$	80	\$	83	\$	85

Pricing for consulting services shall remain fixed for 12 months after the Execution Date of the master agreement. Annual price increases for consulting services for the remainder of the term of the master agreement shall not exceed 3% per year. Prices charged for consulting services under this master agreement shall not exceed our current published price list. We will not change our hourly rates identified in a statement of services during the term of the statement of services, but we may adjust our hourly rates prior to entering any new statement of services if price increases have been instituted in the master agreement.

EXHIBIT D

Microsoft

Premier Support, Public Sector Published Price List for Core Services

Technical Account Manager Hourly Rate (TAM)	\$170/hr	Purchased in minimum blocks of 200 hour increments. TAM Hour component to be purchased in conjunction with Problem Resolution hours for Premier Support Service contracts.
Problem Resolution Hourly Rate	\$170/hr	Can be purchased in blocks of 50 Hours and to be purchased in conjunction with TAM hours.
Support Consulting Hourly Rate	\$170/hr	This is an additional service that provides specialized, dedicated technical support for a specific MS Technology. Purchased in conjunction with a dedicated TAM (1600 hours) and with a minimum purchase of 800 Support Consulting hours.
Development Support Assistance Hourly Rate	\$210/hr	Minimum purchase of 200 hours
Onsite TAM	\$2000	Up to 2 days for each visit.
ROSS On-site Visit	\$3,750	1 Day Visit
ROSS On-site Visit	\$6,000	2 Day Visit
Microsoft Developer Network (MSDN) CD or DVD	\$2,800	Maximum of 10.
Microsoft TechNet Plus CD or DVD	\$1,000	Maximum of 10,
Workshops	\$5,000	One day workshop based on dedicated delivery to a single customer. Customization available

Premier Guidelines: All Premier contracts need 200 TAM Hours and 50 Problem Resolution Hours at minimum. All other services are optional and can be customized based on the needs of the agency.

Microsoft Services Contact Form for Commonwealth of Virginia

Company Information		
Company Name	Microsoft Corporation	
Address	One Microsoft Way	
City, State, Zip Code	Redmond, WA 90852	
Company Phone	(425) 882-8080	
Company Fax	(425) 936-7329	
Federal Tax ID Number	91-1144442	
Website URL (if applicable)	www.microsoft.com	
Business Contact for Microsoft as a point of contact. First and Last Name	Consulting – Person who understands VA relationships and who can serve Kent Smith	
Job Title	Microsoft Engagement Manager	
Phone Number	(703) 624-7030	
Fax Number	(425) 936-7329 (Attn: Kentsmi)	
Email Address	Kentsmi@microsoft.com	
Address (if different from above)	5335 Wisconsin Ave. N.W., Suite 600, Washington D.C. 20015	
Business Contact for Premier S point of contact. First and Last Name Job Title	upport— Person who understands VA relationships and who can serve as a Erica Marley Premier Contract Executive	
Phone Number	(425) 704-5768	
Fax Number	(425) 936-7329 (Attn: Ericama)	
Email Address	Ericama@microsoft.com	
Address (if different from above)	One Microsoft Way, SAMM D/4031, Redmond, WA 98052	
If Erica Marley is not available, please do not hesitate to contact:		